

9/1/77 [2]

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THE PRESIDENT'S SCHEDULE
Thursday - September 1, 1977

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

8:45 Mr. Frank Moore - The Oval Office.

10:30 Mr. Jody Powell - The Oval Office.

12:30 Lunch with Mrs. Rosalynn Carter - Oval Office.

3:45 Drop-By Panama Canal Briefing. (Mr. Hamilton Jordan).
(15 min.) The State Dining Room.

THE WHITE HOUSE
WASHINGTON

Sept. 1, 1977

Bob Lipshutz -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Mrs. Carter

Re: Plains, Georgia Property --
Secret Service - Gmann Property

*Layout returned to
Bob Lipshutz*

THE WHITE HOUSE
WASHINGTON

9-1-77

To Bob Lipschutz

If all Gann property
is leased for 10 years,

a) Would there be any
need for present mobile
homes?

b) When would any
additional buildings be
located there?

c) What type of office
space has been ^(or will be) provided
for staff of Nixon &
Ford?

J.C.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

August 25, 1977

Pos
J

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz *BL*
SUBJECT: Plains, Georgia, Property -- Secret Service --
Gnann Property

Attached is a report from the Secret Service relative to the above matter.

As you will note, for the purposes of the Secret Service Option #2 is favored. I recommend that you accept this recommendation because of the advantages to the Secret Service in carrying out its duties, even though the rental cost is somewhat greater than renting the vacant land.

However, I further recommend that you authorize the Secret Service and General Services Administration to rent the entire parcel of land instead of just the portion on which the residence is located. It would appear that some type of office for the use of your staff, and perhaps even for your and Mrs. Carter's use, located near your home but not inside of your home, would be of great benefit. The additional cost would be approximately \$200 per month rental, plus of course the cost of a mobile home for this office or some other structure. Offsetting this expenditure would be whatever money has to be spent, from time to time, for motel rental, driving between Americus and Plains, etc. On the other hand, I am sure that you wish to consider the additional intrusion on your privacy in having such an office nearby.

Please advise and I will convey your wishes to the Secret Service.

☒ Option #1 (recommended)
☐ Option #2
☐ Option #3

**Electrostatic Copy Made
for Preservation Purposes**

No need for fence at this time.
Rosalynn Carter

On August 23, 1977, at Americus, Georgia, Secret Service representatives met with Mr. & Mrs. Ralph Gnann, their attorney Ben Easterlin, and GSA representatives, looking toward the possibility of acquiring a portion of the Gnann property for use by the Secret Service as a Command Post. As a result of the meeting, the following Options are available to the Secret Service:

OPTION 1

Lease the entire Gnann property at an annual rental of \$8,000 for 10 years subject to cancellation by the Secret Service on 6-month notice if the Carter property no longer requires Secret Service protection.

OPTION 2

Acquire that portion of the Gnann property upon which their residence stands at an annual rental of \$5,640 for 10 years with the same cancellation clause as above. In addition, it would be provided that any residence the Gnann's erect on the remaining portion of their property would not be placed directly between their present residence and the Carter home; and that a free right to access be retained to the Carter property through the portion of the property retained by the Gnann's.

OPTION 3

The lease of a sub-divided strip of the west portion of the Gnann property upon which a modular type building could be erected by the Secret Service as a Command Post at an annual rental of \$2,400. The lease would run for 4 years with an option to renew for 4 years and then to renew for 2 years. Cancellation rights would be vested in the Secret Service (at anytime during any term with 120 days notice).

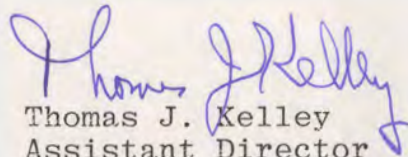
It would seem unnecessary for the Government to lease the entire Gnann property for Secret Service purposes. However, if it is contemplated that some other Governmental use might be made of the property in addition to a Secret Service Command Post, the cost differential is not excessive.

The lease of the Gmann residence and approximately one-half of the property would be handled under a general lease provision, requiring that taxes, insurance, major repairs, would be borne by the lessor. To convert the Gmann residence into a Command Post would require some alterations of the interior. While no specific survey has been done inside the residence, a reasonable figure to make it suitable for a Command Post would be in the vicinity of \$25,000, which would include the necessary wiring, room configuration, etc. This is the Option favored by the Secret Service because of the proximity of the Command Post location to the Carter residence, usable space it provides and, because it is less conspicuous than a mobile home installation.

In Option 3, the Secret Service would place on the leased property a double size mobile home, the approximate cost of which would be \$24,000, and the facility would be government property. It would have little value at the end of the term due to its constant use. There would be additional costs for wiring, sewage, grading, parking, screening, etc. The necessary zoning waivers can be acquired.

Apparently, it is the intention of the Gmann's, should the Government lease their property under Option 2, to use the rental to construct a new residence on the property. Their present residence on the property is now approximately 50 years old.

The leasing arrangement and the value placed on the property in the various Options were negotiated by the representatives of the Atlanta Office of GSA, and are within the GSA guidelines for the fair annual rental of the property.


Thomas J. Kelley
Assistant Director
Protective Operations

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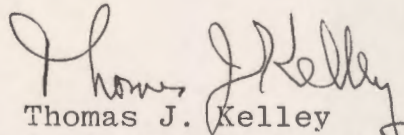
80000
56400
23600

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Thomas J. Kelley
Assistant Director
Protective Operations

Same fence as used at Key Biscayne, Florida, and was recovered by the Secret Service.

Anodized Aluminum, dark brown in color, replica of White House Fence. Approximately 800 Feet of fence, 8 feet high, and 11 gates, each 6 feet 4 inches wide.

The approximately cost to move and install this fence at Plains is between \$7,000 and \$10,000, the cost to be borne by the U. S. Secret Service since it is a protective measure at The President's Residence.

THE WHITE HOUSE
WASHINGTON

9/1/77

Mr. President:

Jack has no comment. Midge
concurs.

Rick

THE WHITE HOUSE
WASHINGTON

September 1, 1977

Hugh Carter -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Travel

Electrostatic Copy Made
for Preservation Purposes

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

September 1, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *pl.*
SUBJECT: Travel

*Hugh
Maintain present
policy - report no longer
needed
JC
Use commercial whenever
possible
J*

Listed below is the commercial-tourist travel approved during the month of August:

Name	Date & Time of Dp. & Ar.	Destination	Purpose
Marty Beaman	8/4 <u>(military)</u> 8/7 4:30p	D.C. Plains D.C.	In connection with President's visit (military)
Barry Jagoda	8/9 12:55p 8/10	D.C. Atlanta Plains D.C.	In connection with ABC's interview with President
Greg Schneiders	8/15 (one 8/18 commer- cial flt)	D.C. Boise, ID 5 stops in California	To assess impact due to fires in West and review federal support efforts
Midge Costanza	8/19 2:05p 8/21 7:22p	Rochester, NY	Keynote speaker for 1977 Pan African Cultural Exposition
Stu Eizenstat	8/20 3:35p 8/21 1:39p	D.C. Atlanta D.C.	Keynote speaker for John Lewis Testimonial Dinner (Associate Director at ACTION)
Jim Parham	9/19 9/20	Kiameska Lake, NY	Attend fall seminar of N.Y. State Association of Counties
Nancy Willing	9/25 9/29	D.C. Williamsburg D.C.	Attend Guest Relations Association Conference

Jody Powell	5/28		One-way to St. Simons (submitted after trip)	Perform Official duties
Gov. Wm. Scranton	6/8		Scranton, PA/ D.C./Scranton (submitted after trip)	Swearing-in of IOB Board and Mtg.
"	7/13-14		"	"
"	7/22		"	"
Richard Pettigrew	8/22 shuttle 8/23		New York	Meeting with chief executive officers of major corporations re: reorganization
John Sullivan	8/22 10:00 a 8/26 (military return)		Vancouver, BC	Advance for First Lady's trip
Barbara Heineback	"	"	"	Press Advance for First Lady's trip
Stuart Eizenstat	8/23 shuttle		New York	Address the Policy Forum Group
Madeline MacBean	8/25 (military 8/26 both ways)		Vancouver	Accompany First Lady
Mary Hoyt	"	"	"	"
Kathy Cade	"	"	"	"
Jack Watson	9/7 9/9		Detroit, MI	Main speaker at Nat'l Governors Conf. Will conduct private mtgs with Govs re: Federal Aid Reform
Lawrence Gilson	"		"	Participate in Nat'l Governors Conf. Will help explain Federal Aid Reform to Govs.
Cynthia Wilkes	"		"	Participate in Nat'l Governors Conf. Will liaison with inter- governmental affairs offices of different states attending. Will also help Watson setting up private mtgs. with Govs.

THE WHITE HOUSE
WASHINGTON

September 1, 1977

Frank Moore -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Printing of Panama Canal Treaties

cc: Hamilton Jordan

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

September 1, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M.*

The State Department needs a decision for printing the treaties-- whether or not it should be printed with self-executing land and water transfer provision?

I have talked with the Speaker at length; he agreed it should be this way. I talked with Jim Wright and he agrees. As a precautionary measure, Bill Cable and I talked to Ari Wiss, the Speaker's policy person, and he in turn had a long and detailed conversation with the Speaker and reported back to us that the Speaker understands that he will take some political heat from Members for abdicating prerogatives of the House, and he will probably spread it around so that everybody shares some of the heat once it comes. He is in agreement to print the treaties this way.

Based on these conversations and others that Sol Linowitz has had with the Leadership, I recommend that the treaties be printed in a self-executing fashion.

ok
J.C.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

September 1, 1977

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President

Bert Lance

Jim Fallows

Barry Jagoda

Tim Kraft

Jody Powell

RE: PUBLIC BROADCASTING

Date: August 29, 1977

MEMORANDUM

FOR ACTION:

~~Midge Costanza~~

Frank Moore

Jack Watson.

FOR INFORMATION:

The Vice President

Hamilton Jordan

Bob Lipshutz

Jody Powell

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Eizenstat/Jagoda/Cutter memo dated 8/29/77 re Public
BroadcastingYOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Wednesday

DATE: August 31, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☒ I concur.☐ No comment.*Please note other comments below:*

I concur with the recommendations in this excellent report.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE

WASHINGTON

August 29, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*
BARRY JAGODA *BJN*
BO CUTLER *WBE*

SUBJECT: Public Broadcasting

Public broadcasting's five-year authorization expires next year, and the Administration has been asked to introduce a new bill so hearings can be held this fall and a new appropriation included in our next year's budget. You have spoken of your support for public broadcasting and a significant constituency is now looking to you for leadership.

After wide consultation, Frank Lloyd and Rick Neustadt as well as others on our staffs, in cooperation with HEW, have developed a plan for your consideration. Your CPB nominees concur with it. We think this plan will reduce organizational strife, encourage creative programming, improve planning, and help this medium reach its potential as an alternative and prod to commercial broadcasting. While it would help resolve long-festering problems, it can become controversial; this is a sensitive border area between government and press.

Your guidance is needed on the following questions, but you may want to meet with a small group of us to go over this fairly complicated, relatively fresh area prior to making your decisions. If you agree with our recommendation that we meet on this subject, please so indicate at the end of this paper.

A. National Structure. Should we reallocate programming and planning functions among the Corporation for Public Broadcasting (CPB) and the TV and radio networks (PBS and NPR), or merge these functions into a single entity?

B. Authorization Length. Should the current pattern of 5-year advance authorizations for CPB be continued?

C. Funding Level. How much money should the new bill authorize?

D. Allocation of Funds. Should we retain the current practice of passing most of the Federal money to local stations, or earmark more for national services?

E. Matching Ratio. Should we change the formula under which public broadcasters must raise funds to match CPB appropriations?

F. Federal Agency Programs. Should we merge the facilities grant program now at HEW into the CPB authorization? Should we coordinate program grants by HEW and other Federal agencies?

Five additional, less critical issues should be resolved to present a comprehensive program. They are listed on page 6.

We suggest that your decisions be communicated to Congress in a message in early September. It would emphasize your support for public broadcasting and set out your vision of the benefits it can provide. The message would stress your commitment to a stronger national role for public broadcasting and encourage it to pioneer in quality drama and music; coverage of public issues; educational services; service to minorities, women, children, and the elderly; and innovation in new technologies to reach wider audiences.

Background

Since 1967, most Federal money for public broadcasting has gone to CPB, an independent unit run by a 15-member board appointed by you (Congress is appropriating \$152 million for the last year of CPB's present authorization). CPB currently passes 57% of the money to the local stations to use at their discretion and spends 17% on national programs, 16% on national network distribution, and 10% on staff and other services. (A third of the 57% given to the local stations is pooled by them for additional national programming.) A key CPB mission is to shield program content from political pressure.

The public radio and TV networks are run by two other units which represent the stations: National Public Radio (NPR), and the Public Broadcasting Service (PBS). These groups have their own programming departments which are duplicated by CPB. This has led to unproductive disputes among the three units over specific program decisions.

The Federal Government spends an additional \$40 million a year which does not go through any of these units. HEW runs a grant program to build new stations and improve facilities. Half a dozen agencies give stations grants to do specific shows. None of these efforts is coordinated, and each agency has its own programmers. This situation not only compounds the disorganization; it also has resulted in agencies using grants to improperly dictate program content.

All these Federal funds combined presently account for less than a third of public broadcasting's revenues. Current legislation requires that public broadcasting raise \$2.50 for every \$1.00 in the CPB appropriation. State and local governments contribute about half of that; the rest comes from corporations, foundations, and individual supporters. Almost all non-Federal funds go to local stations. The Federal share has risen rapidly, as have funds raised from private sources, while the state contribution has leveled off.

(An attached chart shows the existing 5-year authorization's funding levels and alternative proposed new ones. Another shows the total U.S. per-capita investment in public broadcasting compared to U.K., Canada and Japan, and U.S. commercial broadcasting.)

Many think the present system has not lived up to expectations and needs reform. The U.S. creative community believes that scattering most Federal funds among the 265 TV and 200 radio stations cripples national programming and fosters reliance on BBC imports. They urge that priorities be changed to reallocate more funds to national programming.

Consumer groups, independent producers, and advocates of adult instruction and minority programming charge they are ignored. Supporters of radio and alternative technologies, such as cable, want a bigger share of Federal funds. The TV stations want technical improvements so they can reach larger audiences (thereby increasing private contributions). Only 50% of the population can now receive public TV, and 60% public radio.

The recently-formed Carnegie Commission on the Future of Public Broadcasting is looking at long-range issues of creativity, technology, public participation, coverage, and funding sources. Their report is due in early 1979, when public broadcasting moves to satellite distribution with its potential for multiple networks serving varying needs. They have urged the Administration to take on the immediate legislative issues, as discussed here.

Issues for Decision

A. Structural Options

1. Realign National Functions to Reduce Overlap and Promote Planning. CPB would be taken out of individual programming decisions, and its staff and overhead would be strictly limited. CPB would operate like a foundation, granting money to PBS, NPR, and other program producers/distributors. Representatives of PBS and NPR would be added to the CPB Board to increase coordination. CPB would concentrate on system-wide leadership functions: planning, budgeting, resource allocation, evaluation, raising private funds and encouraging the growth of new services (e.g., it might fund satellite/cable networks for adult instruction or Spanish-language programming). An attached chart details this realignment. This would require only minor statutory adjustment.

2. Merge CPB, PBS, and NPR. The three existing boards and staffs would be combined into a single entity that would operate the public television and radio networks. This would require a more fundamental statutory change than Option #1. Congress originally mandated the separation of CPB from production and networking to insure insulation of these decisions from direct political oversight.

RECOMMENDATION: We recommend Option #1 because it increases insulation from political manipulation. A separate CPB is also more likely to fund new communications ideas and support educational services. (Under merger, the existing radio and TV networks would likely absorb all the money.) Option #1 is supported by PBS and the local stations.

Approve ✓ Disapprove

B. Authorization Length Options

1. Five-Year Bill. Public broadcasters consider long-term funding crucial because it gives them the security needed for major creative productions. It also insulates further the public broadcast media from harmful interference.

2. One- or Two-Year Bill. This would hold public broadcasters' feet closer to the fire on organizational changes and give us another shot when the Carnegie report comes out.

3. Alternative Funding Schemes. Automatic, insulated funding methods have been suggested, such as license fees on commercial broadcasters, a tax on commercial broadcasters' revenues, or an income tax check-off.

RECOMMENDATION: We recommend Option #1. The need for long-term security is genuine, and a short-term bill would be seen by the system as a betrayal of your support. You will be able to exercise ongoing supervision through the leveling off of authorizations suggested in C(2) below, as well as through annual appropriations. There is as yet no strong constituency for alternative funding schemes. (Perhaps Carnegie will make one politically viable.)

Approve _____ ✓

Disapprove _____

C. Authorization Levels

1. CPB Request. CPB and PBS have asked for \$210 million the first year of the new bill: a \$50 million jump from the last year of the current one. They want authorizations scaled up to \$300 million over five years. (NPR has not joined in this request.)

2. Level Off After Two Years. You could authorize annual increases of \$20 million for two years, leveling off at \$200 million for the last three years of the authorization. This would force the system to justify any further increases after the Carnegie report is out, the structural changes proposed here will be in effect, and the system itself should have a clearer plan for future priorities. It would thereby accomplish much of the benefit of a short-term authorization.

RECOMMENDATION: We recommend Option #2 in light of your commitment to balance the budget and uncertainties about the system's future plans and needs. The \$20 million increases offset inflation and provide resources to expand the system's services as we propose. (Note: This decision does not control appropriations. We are trying to move from appropriating automatically up to the full match to annually reviewing system priorities). We also recommend that your message encourage state governments to continue and expand their funding.

Approve _____ ✓

Disapprove _____

*Tentative pending
budget reviews*

D. National-Local Allocation Options

This is a very controversial issue. More money is needed for high-quality national services. However, the local stations will fight any cuts in their grants. The options are:

1. Put all CPB funds into national services, letting non-Federal sources support local stations (could be phased in over several years).

2. Gradually cut the percentage given to the local stations as authorizations increase, keeping the dollar amount given to stations constant (we would have to raise authorizations significantly over five years to achieve this).

3. Reduce the local station pass-through (now at 57%) to 50% of CPB funds. (That would make the 50% floor now in the law into a ceiling. Our proposed authorization increase would insure no actual dollar loss to local stations.)

4. Give CPB complete flexibility, with no ceiling or floor.

RECOMMENDATION: We believe Option #3 (with a statement expressing interest in lowering the percentage ceiling on pass-throughs in the future as appropriations increase) is the best compromise. Option #4 could lead to increasing pass-throughs because CPB is vulnerable to pressure from the stations. We would continue to work with OMB, Congress, and public broadcasters on this issue before submitting final legislation to you.

Approve ✓

Disapprove _____

*optional
until funding
approved*

E. Matching Ratio Options

Current law requires the public broadcasting system to raise 2.5 times the CPB appropriation amount. Projections indicate such non-Federal support levels cannot be achieved as appropriations rise. CPB has requested a reduction in the match. The options are:

1. Adopt the CPB request for a 2-to-1 match.
2. Reduce the match to 2.25-to-1.
3. Keep the existing match.

RECOMMENDATION: We recommend Option #2 as most compatible with the recommended authorization levels. It provides greater fund-raising incentives than Option #1 but is still attainable under industry projections of future non-Federal revenue.

Approve ✓

Disapprove _____

*ok, but no
reduction in
local match incl.
inflation*

F. Federal Agency Funding Options

? HEW Grants for New and Expanded Station Facilities. We propose to eliminate overlap by transferring this function and its separate authorization of \$30 million per year to CPB. Secretary Califano concurs. The legislation would focus this money on widening signal coverage, exploring new technologies, and helping minorities start stations.

Approve ✓

Disapprove _____

Agency Program Grant Options

1. Require Federal agency grants to go to CPB, which would sub-grant them to the stations.

2. Have OMB amend its federal audio-visual circular to set government-wide standards for agency grants that prohibit improper manipulation of program content and assure coordination through CPB.

RECOMMENDATION: We recommend Option #2 because Option #1 would discourage agencies from making public broadcasting grants at all. (Secretary Califano opposes Option #1 as overly restricting HEW discretion.) We would work with OMB and the affected agencies to develop the guidelines. (HEW has already started on this.)

Approve ✓

Disapprove _____

Other Issues

We recommend the following additional proposals:

1. Planning. Require CPB, in cooperation with PBS and NPR, to submit a long-term evaluation and plan for public communications, updated annually. *ok*

2. Editorial Freedom. Remove the current statutory ban on public station editorializing (except for stations licensed to state governments) and the statutory requirement of "objectivity and balance." (The Fairness Doctrine would still apply; public broadcasters would simply be put on an equal footing with commercial stations.) Encourage states to spin off their stations to independent boards, to enhance independence from political control. *ok*

3. Minority Participation. Clarify that receipt of CPB money subjects public stations to Title VI of the Civil Rights Act, which requires non-discrimination by Federal grantees. (Justice says they are already covered, but CPB disagrees.) Call for more programming for minorities in the message. *ok*

4. Public Accountability. Require stations that receive CPB grants to open board meetings and financial records to the public. *ok*

5. Better Reception. Encourage the FCC to give public broadcasting a preference when new channels become available and to change technical standards to improve UHF reception. *ok*

Approve ✓

Disapprove _____

Measuring Hill and Interest Group Reaction

If you approve this plan, we would prepare a message and a bill. In addition, we would hold a further round of discussions with the Hill and interested groups to get their views before you are publicly committed to the details.

Do you want a meeting on these issues?

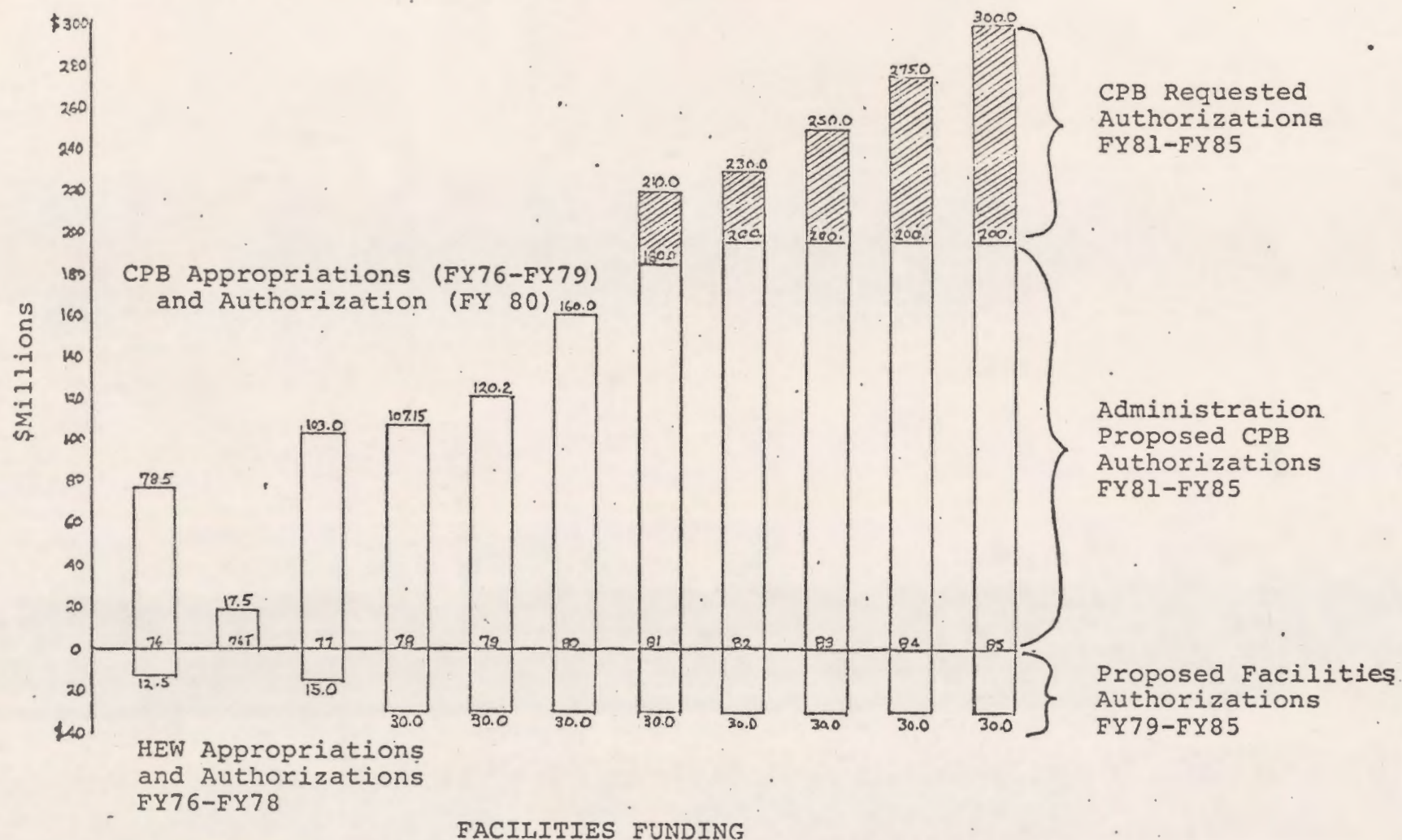
Yes ✓

No _____

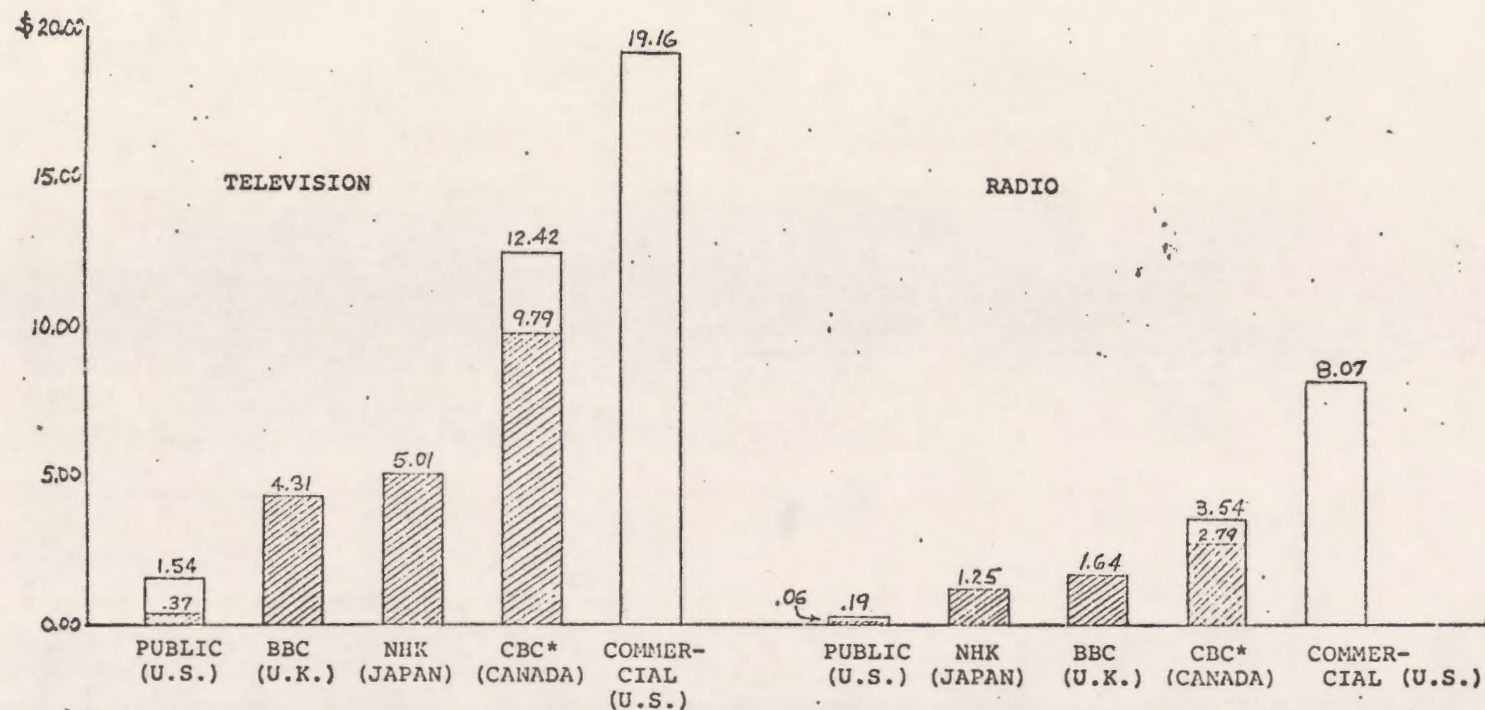
**Electrostatic Copy Made
for Preservation Purposes**

*After message is
drafted based
on above
decisions*

PUBLIC BROADCASTING FUNDING FY76-FY85



PER CAPITA TELEVISION AND RADIO REVENUES IN SEVERAL COUNTRIES, 1975



*ESTIMATED

Sources:

Corporation for Public Broadcasting
FCC AM and FM Broadcast Financial Data 1975
CBC Annual Report 1975-1976.
BBC Handbook 1976.
NHK 1976-77 (Handbook).

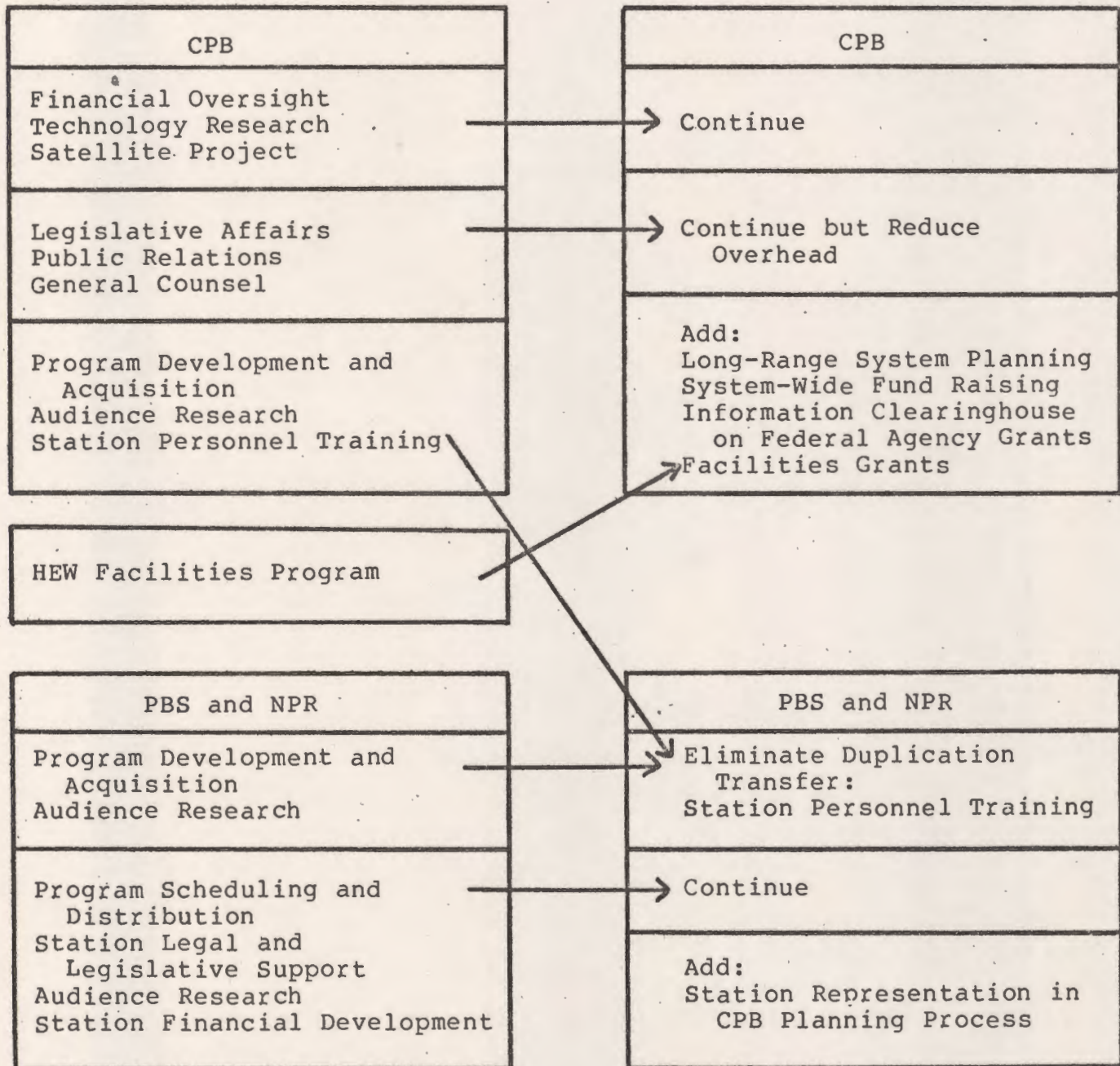
(FUNDED BY
FEDERAL OR
CENTRAL GOV'T)

(Publicly-funded TV and radio in the U.K., Japan, and Canada are expected to provide many services performed by commercial media in the U.S.)

PROPOSED REALIGNMENT OF FUNCTIONS BETWEEN
NATIONAL PUBLIC BROADCASTING ENTITIES

Current

Proposed



THE WHITE HOUSE

WASHINGTON

Date: August 29, 1977

MEMORANDUM

FOR ACTION:

Midge Costanza *concur*

Frank Moore

Jack Watson — *no comment*

FOR INFORMATION:

The Vice President

Hamilton Jordan

Bob Lipshutz

Jody Powell

*see if Jack wants to
comment - should
go in today*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Eizenstat/Jagoda/Cutter memo dated 8/29/77 re Public
Broadcasting

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Wednesday

DATE: August 31, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON
THE PRESIDENT HAS SEEN.

9/1/77

MR. PRESIDENT

Per your request, attached
are the reports on the
security violations for
the month of August.

Hugh

THE WHITE HOUSE
WASHINGTON

9/1/77

Mr. President:

Considering your load of
paperwork, do you wish to
see these reports on a
monthly basis?

☒ yes ☐ no

Rick

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

September 1, 1977

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI
FROM: HUGH CARTER *pk*
SUBJECT: Security Violations

The President has asked me to notify you of the following security violations:

Date	Name	Nature of Violation
7/26	Roger Hansen	Secret and Confidential documents found in desk
8/3	Dona Proctor	Secret and Confidential documents found in open safe
8/13	Roger Molander	Secret document on top of safe
8/13	Victor Utgoff	Top Secret and Confidential documents found in desk
8/13	Carolyn Cleveland	Top Secret and Secret documents found in in & out box
8/18	John M. Marcum	Secret document found on table
8/20	James Thomson	Secret documents found in open safe
8/23	Barbara Diering	Confidential documents found in open safe
8/25	Leslie Denend	Secret and Confidential documents found in open safe
8/25	Robert Pastor	Confidential, Secret and Top Secret documents found in two open safes

✓ cc: The President

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

September 1, 1977

MEMORANDUM FOR: TIM KRAFT
FROM: HUGH CARTER *pl.*
SUBJECT: Security Violations

The President has asked me to notify you of the following security violations:

Date	Name	Nature of Violation
8/13	Helen Donaldson	Secret & Confidential documents found in desk
8/13	Tim Smith	Confidential document found in in & out box

✓cc: The President

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

September 1, 1977

MEMORANDUM FOR: JACK WATSON
FROM: HUGH CARTER *HC*
SUBJECT: Security Violations

The President has asked me to notify you of the following security violations:

<u>Date</u>	<u>Name</u>	<u>Nature of Violation</u>
8/14	Patricia Yarham	Confidential document found on desk
8/26	Jack Watson	Confidential document found on desk

✓ cc: The President

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

September 1, 1977

MEMORANDUM FOR: RICK HUTCHESON
FROM: HUGH CARTER *HC*
SUBJECT: Security Violation

The President has asked me to notify you of the following security violation:

<u>Date</u>	<u>Name</u>	<u>Nature of Violation</u>
8/10	Gertrude Fry	Confidential document found in open safe

✓ cc: The President

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

September 1, 1977

MEMORANDUM FOR: STU EIZENSTAT
FROM: HUGH CARTER *HC*
SUBJECT: Security Violations

The President has asked me to notify you of the following security violations:

<u>Date</u>	<u>Name</u>	<u>Nature of Violation</u>
8/14	Stu Eizenstat	Confidential Material found on top of table
8/14	David Rubenstein	Confidential document found on top of table

✓ cc: The President

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

September 1, 1977

MEMORANDUM FOR: THE VICE PRESIDENT
FROM: HUGH CARTER *pl.*
SUBJECT: Security Violation

The President has asked me to notify you of the following security violation:

Date	Name	Nature of Violation
8/8	Donna Blume	Confidential material found in unsecure cabinet

✓ cc: The President

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

September 1, 1977

MEMORANDUM FOR: FRANK MOORE
FROM: HUGH CARTER *HC*
SUBJECT: Security Violations

The President has asked me to notify you of the following security violations:

<u>Date</u>	<u>Name</u>	<u>Nature of Violation</u>
8/9	James Free	Secret document found on table
8/14	Dan Tate	Secret document found in desk and Confidential document found on table

✓ cc: The President

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

September 1, 1977

MEMORANDUM FOR:

LANDON BUTLER

FROM:

HUGH CARTER *HC*

SUBJECT:

Security Violation

The President has asked me to make you aware of the following security violation:

Date	Name	Nature of Violation
8/8	Landon Butler	Confidential material found on top of desk

✓cc: The President

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

September 1, 1977

MEMORANDUM FOR:

MIDGE COSTANZA

FROM:

HUGH CARTER *HC*

SUBJECT:

Security Violation

The President has asked me to notify you of the following security violation:

<u>Date</u>	<u>Name</u>	<u>Nature of Violation</u>
8/28	Midge Costanza	Confidential material found in folders on table

✓ cc: The President

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

September 1, 1977

MEMORANDUM FOR: BILL GULLEY
FROM: HUGH CARTER *hcl.*
SUBJECT: Security Violation

The President has asked me to notify you of the following security violation:

Date	Name	Nature of Violation
8/14	Paul Reason	Confidential documents found in desk

✓ cc: The President

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

September 1, 1977

MEMORANDUM FOR:

GUS WEISS

FROM:

HUGH CARTER *pl*

SUBJECT:

Security Violation

The President has asked me to notify you of the following security violation:

<u>Date</u>	<u>Name</u>	<u>Nature of Violation</u>
8/19	David Evans	Secret and Confidential documents found in desk

✓cc: The President

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

September 1, 1977

MEMORANDUM FOR:

CHARLIE SCHULTZE

FROM:

HUGH CARTER *HC*

SUBJECT:

Security Violation

The President has asked me to notify you of the following security violations:

<u>Date</u>	<u>Name</u>	<u>Nature of Violation</u>
8/18	J. B. Penn	Secret and Confidential documents found on desk

✓ cc: The President

THE WHITE HOUSE
WASHINGTON

September 1, 1977

MEMORANDUM FOR: BOB LIPSHUTZ
FROM: HUGH CARTER *pk*
SUBJECT: Security Violation

The President has asked me to make you aware of the following security violation:

Date	Name	Nature of Violation
8/14	Bob Lipshutz	Confidential document found on desk

✓cc: The President

THE WHITE HOUSE
WASHINGTON
August 1, 1977

*High -
carry out
phone directions
J*

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*
SUBJECT: Report on Security Violations for July
(Per Your Request)

For your information, below is a listing of security violations found by the Executive Protective Service on their nightly rounds. It does not include those documents found that were "administratively confidential".

Date	Name & Office	Nature of Violation
7/1	William D. Nordhaus Schultze's Office ✓	Secret and Confidential documents found on top of desk
7/12	Jane Frank Watson's Office	Secret document found on top of desk
7/13	Christine Dodson Brzezinski's Office	Top Secret documents found in open safe
7/13	Samuel P. Huntington Brzezinski's Office	Secret documents found in open safe
7/13	Grace G. Woods Brzezinski's Office	Top Secret documents found in open safe
7/13	Jody Powell	Top Secret, Secret and Confidential documents found in open safe
7/13	Keith Reynard Weiss's Office (CIEP)	Secret documents found in open safe
7/13	Jane Frank Watson's Office	Confidential documents found in open safe
7/15	Jody Powell	Secret and Confidential documents found in open safe
7/16	Charles Schultze ✓	Confidential documents found in open cabinet

7/16	Susan Lepper Schultze's Office ✓	Secret and confidential documents found in open cabinet
7/16	Jody Powell	Secret and Confidential material found in unsecure Burn Bag
7/17	David Rubenstein Eizenstat's Office	Secret documents found in desk drawer
7/17	Jack Watson	Secret and Confidential material found on top of desk
7/17	Bob Lipshutz	Confidential document found on top of desk
7/17	Hamilton Jordan	Secret and Confidential material in In & Out Box on desk
7/19	Kathy McGraw Brzezinski's Office	Top Secret documents found in open safe
7/19	David Munro Schultze's Office ✓	Confidential documents found in open cabinet
7/20	Michael Armacost Brzezinski's Office	Top Secret document found on top of desk
7/20	Edward McKenzie Brzezinski's Office	Top Secret documents found in open safe
7/22	Bill Gulley Military Office	Secret document found in file basket
7/24	Martha Perry Schultze's Office ✓	Confidential documents found in In & Out Box
7/24	William D. Nordhaus Schultze's Office ✓	Confidential documents found on top of desk
7/28	Robert E. Litan Schultze's Office ✓	Secret documents found in open cabinet
7/30	Barbara Smith Schultze's Office ✓	Confidential documents found in desk
7/30	David Rubenstein Eizenstat's Office	Secret folder in left-hand drawer and confidential document in bottom right-hand drawer
7/31	Rick Inderfurth Brzezinski's Office	Secret document found in drawer

THE WHITE HOUSE
WASHINGTON

September 1, 1977

Charlie Schultze

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

RE: INTERNATIONAL ECONOMIC
CONDITIONS

No other comments were made on the
report.

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

top page only oh

ACTION	
FYI	

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
X	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

September 1, 1977

The Vice President
Midge Costanza
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jody Powell
Jack Watson
Bert Lance
Zbig Brzezinski

The attached has been forwarded
to the President. This copy is forwarded
to you for your information.

Rick Hutcheson

INTERNATIONAL ECONOMIC CONDITIONS

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

**Electrostatic Copy Made
for Preservation Purposes**

August 31, 1977

*Charlie -
Report very good -
clear & simple
J.C.*

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze

Subject: International Economic Conditions

Beginning with this memorandum, I plan to send to you occasional short reports on international economic events to supplement my memos on the domestic economy. This report discusses the current macroeconomic situation in major industrial countries. In summary, the OECD group of industrial countries continues to be characterized by levels of output well below potential, generally high inflation, and large current account imbalances. The outlook for the year ahead is for little improvement.

I. Output Growth

Real economic expansion in foreign industrial countries is proceeding at a substantially slower pace in 1977 than it was in 1976. Indeed, industrial production declined in many countries in the second quarter of this year. Moreover, there is a broad consensus that slow growth in foreign economies will continue into 1978 unless governments shift their policies to provide significantly more stimulus. Large margins of unused productive potential will persist. Unemployment rates will remain near recession peaks -- even rising above them in some countries.

Table 1
Growth of Real Gross National Product
(percent change over previous period at an annual rate)

	Averages 1963-64 to 1973-74	1974 to 1975	1975 to 1976	1976 to 1977 1/	1977:H2 to 1978:H1 1/
United States	4.0	-1.8	6.1	5	5
Germany	4.4	-3.2	5.6	4	4
Japan	9.4	2.4	6.3	6	5
Canada, France, Italy, and United Kingdom	4.6	-0.9	4.3	2	2
Other OECD Countries	5.0	-0.5	2.9	2	n.a.
Total OECD	5.0	-1.0	5.2	4	4

1/ CEA forecast for United States; OECD Secretariat forecasts for others.

The performance of the German and Japanese economies has been particularly disappointing. Real GNP growth has been short of the targets set forth at the London summit meeting. German growth is now expected to be on the low side of 4 percent, which is well below the target of 4-1/2 to 5 percent mentioned by Chancellor Schmidt in London. The Japanese could still come close to hitting their target of 6.7 percent growth for their fiscal year ending next April if they introduce additional stimulative measures immediately (see below). However, the Japanese economy is currently below course. Furthermore, 1 of the 6 percent of Japanese real GNP growth this year has come from rapid growth of net exports. Thus the Japanese economy has failed to generate the growth in domestic demand that would be consistent with its taking a leading role in a world recovery.

Recent reports indicate that German and Japanese authorities now recognize the need to counter the weakness in their economies. New policy measures are currently under consideration in both countries and should be announced in the first half of September. The centerpiece of the German policy measures is expected to be a temporary reduction in tax rates. The size of the tax reduction most widely reported in the press -- DM 10 billion -- would be about 3/4 percent of German GNP and would constitute a significant but conservative action. Reports on Japanese stimulus plans cover a range from 1/2 percent to 1-1/4 percent of GNP -- mostly in the form of accelerated government expenditures. In both countries some complementary relaxation of monetary policy is likely. Both German and Japanese authorities have the capacity to implement the contemplated policy changes very quickly once decisions are reached.

Rates of real GNP growth elsewhere in the industrial world are expected to average significantly less than in the big three countries. Some countries have restricted growth in order to hold down imports and limit current account deficits. In addition, a number of countries have been plagued by particularly high inflation rates, which have militated against more rapid expansion. Policies to achieve growth have been restrained in two countries, Italy and the United Kingdom, by commitments to the International Monetary Fund to restore balance to their economies.

II. Inflation

Inflation rates in most industrial countries remain high compared with the 10-year period before the oil-price shock, and are no longer moving down. (See Table 2)

Table 2

GNP Deflators in OECD Countries
(percent change over previous period at an annual rate)

	Average 1963-64 to 1973-74	1974 to 1975	1975 to 1976	1976 to 1977	1977:H2 to 1978:H1 1/
United States	3.7	8.0	5.1	6	6
Canada	3.9	10.6	7.4	7	7
France	5.2	11.7	9.6	9	8
Germany	3.9	6.1	4.5	4	4
Italy	5.5	17.0	16.7	20	15
Japan	6.7	11.8	9.3	9	8
United Kingdom	6.1	23.5	15.3	15	9
Other OECD	6.1	13.0	10.8	11	n.a.
Total OECD	5.0	11.2	7.7	8	n.a.

1/ CEA forecast for United States; OECD Secretariat forecasts for others.

In most OECD countries, rates of price increase are approximately in line with wage settlements and productivity trends, and are not expected to improve much. Italy and the United Kingdom are exceptions -- here inflation rates recently have been higher than domestic cost trends would dictate because of import price increases that followed large exchange rate depreciations last year. This effect will be wearing off over the coming year.

Further improvement in underlying rates of inflation in industrial countries will come primarily from slower wage increases. The extremely large wage increases that were common in 1974 and 1975, as workers tried to catch up with the rising prices of oil and other commodities, have moderated. But, as in the United States, there is little evidence that a further slowdown is underway. A variety of incomes policies has been implemented in various countries, often achieving some temporary gains, but their longer-term effectiveness is still unproven. The very high levels of unemployment that have prevailed in industrial countries for three years have contributed little to reducing underlying rates of inflation.

Conclusion: Inflation will remain a difficult problem in the foreseeable future. Keeping unemployment high has been very costly from economic, social and political viewpoints, and it has not cured the inflationary problem. Industrial countries will need to depend heavily on measures that directly affect prices: preventing trade restrictions, restraining payroll tax increases, keeping adequate commodity stocks, avoiding bottlenecks.

III. Balance-of-Payments Imbalances

The current account positions of the industrial countries continue to reflect both the large surpluses of the OPEC countries and the serious payments imbalances within the industrial world. Many countries have deficits that are several times larger, relative to the size of their economies, than the U.S. deficit.

Table 3

Current Accounts of Specified Countries and Country Groups
(billions of dollars, annual rates)

	<u>1973</u>	<u>1975</u>	<u>1976</u>	<u>1977 1/</u>	<u>1978:H1 1/</u>
<u>OECD Total</u>	3	-6-1/2	-26-1/2	-35	-28
United States	0	11.7	-0.6	-20	-20
Germany	4.3	3.8	3.0	3	2
Japan	-0.1	-0.7	3.7	7	5
Larger Countries in deficit 2/	-5.6	-9.3	-15.8	-9	-4
Smaller OECD Countries	4-1/2	-12	-17	-16	-11
OPEC	3	34	42	41	37

1/ CEA forecast for U.S.; OECD Secretariat forecast for others.

2/ Canada, France, Italy, United Kingdom

Private financial markets have, in most cases, provided the financing for countries current account deficits since the oil crisis began. However, fears that they would be unable to obtain further financing have made countries hesitant to maintain adequate growth in output and employment and to accept the larger deficits that would result.

The smaller OECD countries continue to have disproportionately large deficits. Those among them that have, or are likely to have, the most serious problems financing their deficits are Greece, Portugal, Spain and Turkey. The two large countries most hard pressed by balance-of-payments problems, Italy and the United Kingdom, have eliminated their current account deficits.

Conclusions:

1. The recently constructed "Witteveen facility" in the IMF will provide about \$10 billion of additional official

financing for countries with serious balance-of-payments financing problems. Given continuing OPEC surpluses, however, international financial resources will need to be replenished periodically. Moreover, in determining appropriate conditions to be met by borrowing countries, the IMF should be encouraged to look at the global economic situation -- particularly the generally depressed state of demand in the world.

2. In view of the outlook abroad, demand for our exports will rise only slowly and the prospects for an improvement in the U.S. trade deficit are poor. Hence, continued economic expansion in the United States will have to be sustained solely by growth in domestic demand.

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

Q

1 September 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *Ridh*
SUBJECT: Memos Not Submitted

1. SECRETARY MARSHALL MEMO recommending that you participate in a November 16 meeting of the Industry-Labor Council of the White House Conference on Handicapped Individuals, which is co-chaired by George Meany and IBM President John Opel. The Council is developing final recommendations for a national policy on handicapped employment. 150-175 leaders from business, labor, handicapped organizations and Congress will be attending.

Eizenstat does not think it essential that you attend the meeting. Kraft recommends your participating for 15-30 minutes.

_____ approve attending the meeting ☒ disapprove *VP attend*

2. FRANK MOORE has submitted editorials from the San Antonio Express and the Fort Worth Star-Telegram, strongly supporting the Panama Canal Treaty, at the request of Congressman Jim Wright.
3. LANDON BUTLER submitted a copy of the Commerce Department's "Commerce America" publication, the current issue of which features the Panama Canal Treaty. About 50,000 were sent to businessmen around the country. The article is amply summarized in its first paragraph: "The American business community has a major stake in agreements that can provide a secure and efficiently operating Panama Canal in the years ahead."

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for Preservation Purposes

X

THE WHITE HOUSE
WASHINGTON

September 2, 1977

Fran Voorde

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Tim Kraft

RE: MEMOS NOT SUBMITTED
MARSHALL MEMO RE 11/16 MEETING OF
INDUSTRY-LABOR COUNCIL OF WHITE
HOUSE COUNCIL ON HANDICAPPED
INDIVIDUALS

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

AUG 29 1977

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR *for*

SUBJECT: Recommendation For November 16 White House
Meeting Of Industry-Labor Council, White
House Conference On Handicapped

The Industry-Labor Council of the White House Conference on Handicapped Individuals, co-chaired by AFL-CIO President George Meany and IBM President John R. Opel, plans to hold a November 16 meeting in Washington to develop final recommendations for a national policy on handicapped employment.

The meeting's purpose is to evaluate and consolidate recommendations gathered at four regional conferences held this year by the Industry-Labor Council.

The employment of the handicapped is an important element in our national effort to assure job opportunities for the disadvantaged. For this reason, I recommend that (1) this meeting be held at the White House (2) that you participate, and (3) that you personally issue the invitations.

Attendees would include approximately 150-175 leaders of business, industry, labor, handicapped organizations and appropriate members of the Congress with an interest and involvement in expanding employment opportunities for the handicapped.

If you approve, staff work in preparing for the White House meeting will be handled by the Labor Department, President's Committee on Employment of the Handicapped and Dr. Henry Viscardi, Chairman of the White House Conference on Handicapped Individuals.

In case you do not wish to issue the invitations or are unable to attend, I would suggest that the Conference go ahead at the White House under the egis of the Labor Department.

Date: August 30, 1977

MEMORANDUM

FOR ACTION:

Midge Costanza
Stu Eizenstat
Jack Watson
Tim Kraft

FOR INFORMATION:

The Vice President
Frank Moore
Jody Powell
Fran Voorde

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Secretary Marshall memo dated 8/29/77 re Recommendation for 11/16/77 White House Meeting of Industry-Labor Council, White House Conference on Handicapped

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11:00 A.M.

DAY: Thursday

DATE: September 1, 1977

ACTION REQUESTED:

Other: ☒ Your comments

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

*We can commit 15-30 minutes
of President's time to
such as a mtg. on Nov. 16 -
I think it's good idea to
hold it here; not so sure
about the President issuing the
invitations "personally," as it says-*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

TK

THE WHITE HOUSE
WASHINGTON

Date: August 30, 1977

MEMORANDUM

FOR ACTION:

Midge Costanza - *see comments*
Stu Eizenstat *attached*
Jack Watson
Tim Kraft *attached*

FOR INFORMATION:

The Vice President
Frank Moore - *no comment*
Jody Powell
Fran Voorde

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Secretary Marshall memo dated 8/29/77 re Recommendation
for 11/16/77 White House Meeting of Industry-Labor
Council, White House Conference on Handicapped

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11:00 A.M.

DAY: Thursday

DATE: September 1, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE

WASHINGTON

September 1, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
FRANK RAINES

SUBJECT: Secretary Marshall Memo on Meeting
of Industry-Labor Council of the White
House Conference on Handicapped
Individuals

We know of nothing which makes a meeting at the White House essential. We believe you should be guided in deciding that question by the Secretary's recommendation and the obvious desire to limit the number of non-essential meetings at the White House.

This meeting is apparently intended to be a working session. We do not think there is anything requiring your participation. If you do decide to attend we would recommend that it be a drop-by with brief remarks indicating your support for their efforts to improve employment opportunities for handicapped persons.

The invitations should be made in your name only if it is planned that you participate.

Date: August 30, 1977

MEMORANDUM

FOR ACTION:

~~Midge Costanza~~
Stu Eizenstat
Jack Watson
Tim Kraft

FOR INFORMATION:

The Vice President
Frank Moore
Jody Powell
Fran Voorde

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Secretary Marshall memo dated 8/29/77 re Recommendation
for 11/16/77 White House Meeting of Industry-Labor
Council, White House Conference on Handicapped

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11:00 A.M.

DAY: Thursday

DATE: September 1, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☒ I concur.

☐ No comment.

Please note other comments below:

I concur absolutely; our staff is currently working with Dr. Viscardi on developing an agenda for this meeting and related activities including involvement of the Office of Science & Technology.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: August 30, 1977

MEMORANDUM

FOR ACTION:

Midge Costanza
Stu Eizenstat
Jack Watson
Tim Kraft

FOR INFORMATION:

The Vice President
Frank Moore
Jody Powell
Fran Voorde

HL *no comment*
SL *no*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Secretary Marshall memo dated 8/29/77 re Recommendation
for 11/16/77 White House Meeting of Industry-Labor
Council, White House Conference on Handicapped

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11:00 A.M.

DAY: Thursday

DATE: September 1, 1977

ACTION REQUESTED:

☒ Your comments
Other: _____

STAFF RESPONSE:

☐ I concur. ☐ No comment.
Please note other comments below:

No Comment

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: August 30, 1977

MEMORANDUM

FOR ACTION:

Midge Costanza
Stu Eizenstat
Jack Watson
Tim Kraft

FOR INFORMATION:

The Vice President
Frank Moore
Jody Powell
Fran Voorde

490

xc Cap Ram
Raines

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Secretary Marshall memo dated 8/29/77 re Recommendation for 11/16/77 White House Meeting of Industry-Labor Council, White House Conference on Handicapped

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11:00 A.M.

DAY: Thursday

DATE: September 1, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

~~CONFIDENTIAL~~

MR. PRESIDENT:

Frank Moore

JIM WRIGHT
12TH DISTRICT, TEXAS

Congress of the United States
House of Representatives
Washington, D.C. 20515

Hand-delivered
To: President
cc: Jody

Monday, Aug. 29, 1977

Dear Frank:

Jim Wright asked me to send you these editorials from the Fort Worth Star-Telegram supporting the Panama Canal treaty.

Also, at the Southern Governors' conference, Jim thinks they have succeeded in killing in committee a ~~resolution~~ resolution opposing the treaty. I am sure Bill Cable filled you in on this.

Cheers.

Marshall

Marshall Lynam

Editorials

FW Star-Tel., Fri AM, Aug. 26, 1977, ed. PB.

New canal pact vital to U. S. image

The Panama Canal treaty issue, now coming to a head with Senate consideration of a new agreement, threatens to stir deeply divisive emotions across the country.

That's most unfortunate. For while concern over the canal is justified, the emotions stem largely from myth and misapprehension.

Opponents of the new treaty view it as a sacrifice of U.S. sovereignty, security and pride.

The well-documented fact is that the original canal treaty, ratified in 1903, did not grant the United States sovereignty in the Canal Zone. It granted full jurisdiction and the right to act "as if it were sovereign," but actual sovereignty was reserved to the Republic of Panama.

The new treaty does call for the United States to relinquish jurisdiction of the Canal Zone after a period of three years so that it will become part of Panama so far as civil administration is concerned. The agreement contains stipulations designed to protect the rights of the Zonians and of American employees of the canal operation, however.

As for security, opponents of the new treaty assert that continued U.S. control of the Canal Zone is "vital" both economically and militarily.

The fact is that such control is not "vital" in either regard.

Economically, the canal has become increasingly less important to the United States in recent years. Presently, the waterway handles only about 7 per cent of our East Coast-West Coast trade and about 8 per cent of our foreign exchange. A big reason for the drop in economic importance of the canal is that many of the larger ships in ocean transport today are too big to use it.

Militarily, the canal is much less important since the United States has a two-ocean navy and since aircraft and missiles form the strategic backbone of modern armed forces.

Operation of the canal is highly vulnerable to guerrilla activity. That would be so with or without a new treaty. The Joint Chiefs of Staff, according to administration spokesmen, believe that guerrilla assaults on the canal would be considerably more likely in a feasting atmosphere such as that now existing, however, than they would under the new treaty.

None of this is to say that the canal is no longer important to the United States. While not "vital," as treaty opponents claim, it is highly significant both economically and militarily.

For that reason, the agreement negotiated contains assurances that

the canal will remain open to vessels of all nations without discrimination and provides for a continued U.S. role in military protection of the waterway in cooperation with Panamanian forces.

The negotiators have taken pains to assure that the U.S. role in preserving the openness and military security of the canal will be sufficient to protect U.S. interests even after 2000, when primary responsibility for defense and operation will pass to Panama under terms of the treaty.

The major issue that the negotiators could not deal with is American pride. Pride is justified, since the canal does symbolize the drive and ingenuity that made America great.

What Americans must realize, however, is that other peoples have their pride, too. In this case, it's not only the Panamanians but all of Latin America.

To these nations, the present canal

arrangement symbolizes U.S. arrogance, exploitiveness and disregard for the rights and dignity of Latin Americans.

In its day-to-day relations with these countries, the United States no longer behaves in this manner. But the old canal treaty hangs on as a reminder of past effronteries, chilling the ardor of those who would be our friends and serving as a rallying cry for our enemies.

Removing this relic of the past by ratification of the new treaty would promise gains, in terms of an improved U.S. image, far outweighing any losses likely to be suffered.

The effort for the new treaty has been bipartisan, negotiations having been begun under a Republican administration and completed under a Democratic one.

It is time that the new treaty was accepted in that bipartisan spirit by the American people and approved by the Senate.

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Editorials

New canal pact in order

The emotional wave of opposition arising against Senate approval of the new Panama Canal treaty is mistaken and unfortunate.

It's mistaken because it is based on the premise that the new agreement threatens the economic and military security of the United States. To the degree that certainty is possible in human affairs, the treaty assures that this will not be the case.

The canal, while its economic and military importance have diminished and will continue to do so, remains a significant factor to this country in both respects.

But the terms of the treaty preserve a proper role for the United States in both the military protection and non-discriminatory operation of the canal even beyond the year 2000, when primary responsibility is to pass to the Republic of Panama.

The instrument also contains specific safeguards for the rights of Canal Zone residents and U.S. employees of the canal operation.

Opposition to the new treaty is unfortunate because it threatens to become a divisive issue at home and a detriment to improved U.S. relations with Latin American countries.

To Americans, the Panama Canal is a symbol of the know-how and get-up-and-go that made America great.

To Latin Americans, however, it is a symbol of exploitation, arrogance and disregard for their rights, honor and dignity.

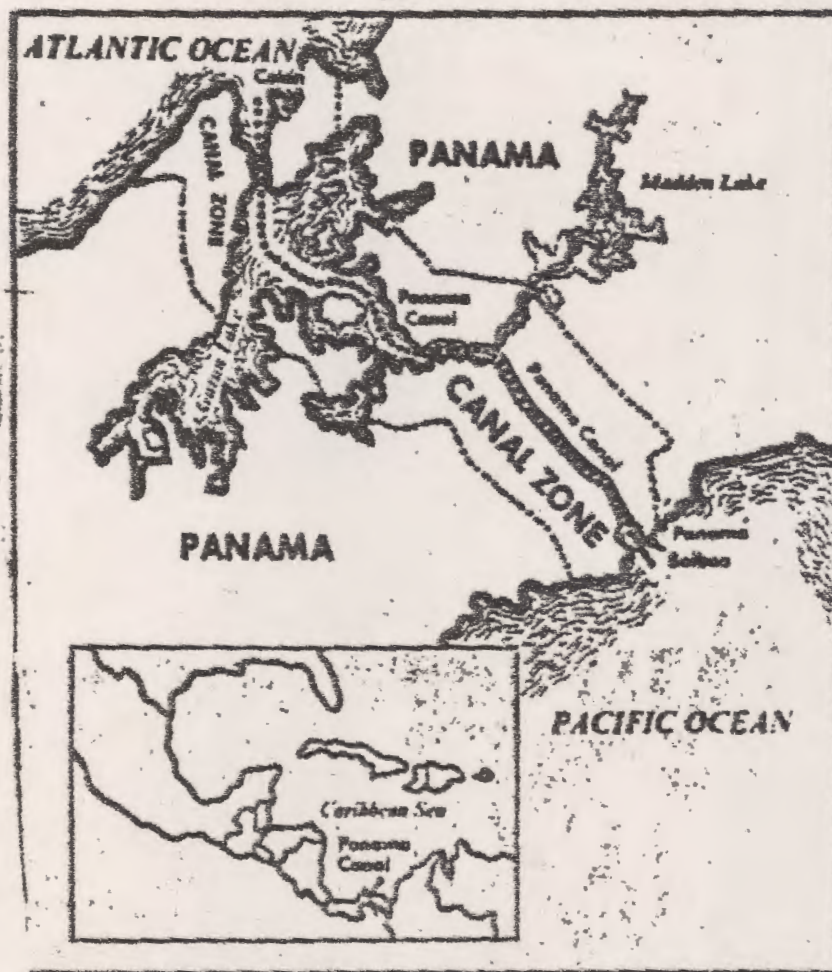
By adopting the treaty, the United States can erase the symbol that our neighbors find so obnoxious while preserving the symbol so dear to Americans.

What the United States stands to gain through improved relations with Latin America by adopting the new treaty is far more important than anything it is likely to lose.

Negotiations for the new pact were begun by a Republican administration in 1973 and completed under the current Democratic administration.

It should be accepted in a similar spirit of unity by a mature American public and promptly ratified by the U.S. Senate.

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San Antonio Express

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Panama canal treaty a good arrangement

To nobody's surprise, Ronald Reagan is against the proposed treaties to turn over to Panama the canal that will be an emotional issue in the mid-term congressional elections — unless the Congress disposes of it more quickly than seems likely.

American ownership of the canal, dug through a strip of what was Colombia until a revolt stripped away Panama as a new nation loyal to the U.S., has been a diplomatic trouble spot for America for generations.

The central question, it seems to us, is whether the canal is an invaluable asset for our national interest or a symbol of dominance that costs more to maintain than it is worth.

In America's own foreign policy activities — and they are many — we are asking Israel to retreat behind lines won in an Arab-initiated war. We are asking South Africans to give up political power, which means material power, too.

We insisted that the British release their hold on the Suez canal. Logic and 13 years of negotiation say conditions are right for releasing the Panama canal.

Under negotiated terms, the

security of the canal is just as strong as it ever was or is likely to be.

America is a two-navy power, so the canal doesn't figure in plans to move the navy around. Pipelines, airpower, superhighways and piggyback trains have long since replaced the canal as an efficient way to move goods from coast-to-coast.

The canal is a symbol of colonialism, no matter how it is framed in impassioned oratory.

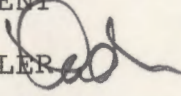
Decades of slogans, goodwill ambassadors, hemisphere-wide plans and all the rest have largely failed to cement good relations between the U. S. and many of our Latin American neighbors. American investment there has been intense and the developments have helped Latin American countries to advance, but the instances of exploitation were frequent enough to make many Latin Americans believe the investors got more-than-generous return on their investments.

The canal isn't worth a bitter split among Americans and it certainly isn't worth another 13 years of haggling with very poor neighbors who need development help.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

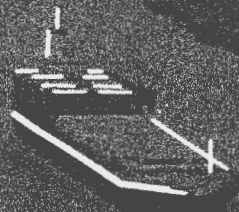
MEMORANDUM TO THE PRESIDENT

FROM: LONDON BUTLER 
DATE: AUGUST 26, 1977
SUBJECT: COMMERCE AMERICA

Attached for your information is the current issue of COMMERCE AMERICA which features the Panama Canal treaty. About 50,000 of these go to businessmen around the country.

COMMERCE AMERICA

U.S. Department of Commerce / August 29, 1977



THE
ECONOMIC
STAKE
IN THE

**PANAMA
CANAL**



4

The Economic Stake In The Panama Canal

Assured access to the short hemisphere route brings benefits to producers of commodities, consumers, shippers and the U.S. and other trading nations in general.



2

Economic Highlights

Homebuilding activity continues surprisingly strong, but further rises in housing starts are unlikely in 1977; condominiums and apartments, severely depressed during the recession, have room for further growth but starts of single-family homes have probably attained their peak for the year.

7 Key Business Indicators

8 Domestic Business Report

New systems speed flood, storm warnings—North Carolina fishing industry gets financial boost—Record crowd hears top authorities discuss regulation of asbestos—New service will give business immediate access to vital economic data—Fisheries are recovering as fewer foreign vessels operate off U.S. coast—Actions promote U.S. fishing interests in home and foreign waters—Colorado, Virginia to host final dress rehearsal for 1980 census—New technology aids old art in minority business success—Northwest industries face total power shutdown if energy conservation drive falls short.

18 International Commerce Report

Quarterly report on U.S. sales to 45 top markets—A technical seminar on fluid power technology reports from Korea, Taiwan—Washington Official Trade Briefs—A sampling of recent "E" awards for export excellence—Economic trends in Mexico, Jordan—Summaries of recent publications in the international business field—Calendar for World Traders—Licensing, joint venture opportunities for U.S. companies—Trade and construction leads from many nations.



COVER: A merchant vessel makes its way through the Panama Canal, the economic benefits of which are so important to the American business community as the story beginning on page 4 points out.



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